

To the Members of the California State Assembly:

I am returning Assembly Bill 481 without my signature.

I am concerned that the provisions of this bill that eliminate a reposessor's obligation to determine whether an item is a personal effect may inadvertently harm debtors who have their vehicles repossessed, and create the potential for a debtor's personal effects to not be returned after a repossession of collateral.

Furthermore, provisions in this bill prohibiting any interference with the activities of a reposessor, may have the unintended consequence of exposing law enforcement personnel to potential law suits for violating the constitutional rights of borrowers. Where law enforcement action is involved in the seizure of property, borrowers have a constitutional right to due process of law. The repossession of a vehicle by a lender is a "self-help" remedy and the borrower is not entitled to a hearing prior to the repossession. By encouraging law enforcement and other regulatory agencies to take a greater role in preventing borrowers from interfering with repossession, this bill exposes these agencies, and the individuals employed by them, to liability.

Based on the above constitutional issues and other consumer-related concerns, I am unable to sign this bill.

Sincerely,

Arnold Schwarzenegger